



DONELAN CLEARY  
WOOD & MASER, P.C.

SEPTEMBER 30, 1999

RECORDATION NO. 22451 FILED

SEP 30 '99

3-30PM

New Recordation No.

Dear Mr. Williams:

On behalf of Flex Leasing I, LLC, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a primary document, not previously recorded, entitled Memorandum of Lease ("Lease"), dated as of SEPTEMBER 30, 1999.

The parties to the enclosed Lease are:

Flex Leasing I, LLC  
Suite 300  
234 Front Street  
San Francisco, CA 94111

- LESSOR

Arizona & California  
Railroad Company, an  
Arizona partnership d/b/a  
Puget Sound & Pacific Railroad  
Suite 401  
221 Gateway Road West  
Napa, CA 94558

- LESSEE

The said Lease, among other things, acts to lease the equipment listed in Annex A to the Lessee by the Lessor.

The equipment covered by the instant Lease is as identified in Annex A thereto.

A short summary of the Lease to appear in the Surface Transportation Board Index is as follows:

"Covers 50 railcars, LW 74450-74474 and LW 74500-74524, as listed in Annex A."

Please enter under this Recordation No. the following cross index reference:

"See Recordation No. 21888-H."

ATTORNEYS AND COUNSELORS AT LAW

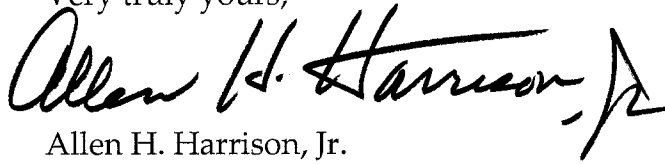
1100 New York Avenue, N.W., Suite 750, Washington, D.C. 20005-3934, Tel: 202-371-9500, Fax: 202-371-0900

Please index separately in the lessee side ("white pages") of the Surface Transportation Board Index the name Puget Sound & Pacific Railroad saying, "see Recordation No. 22~~4~~51".

Enclosed is a check in the amount of seventy-eight dollars (\$78.00) in payment of the filing fee (\$26.00) and the cross indexing fees (\$52.00).

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in black ink that reads "Allen H. Harrison, Jr." with a stylized flourish at the end.

Allen H. Harrison, Jr.  
*Attorney for Flex Leasing  
I. LLC, for the purpose  
of this filing.*

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423  
Enclosures

BY HAND

8207-020

## **ANNEX A**

### **Description of Equipment**

Fifty (50) 73' centerbeam railcars, 110 ton  
capacity, 286,000 lb. gross rail load numbered

LW 74450 through 74474 inclusive

LW 74500 through 74524 inclusive

[Puget Sound & Pacific]

**MEMORANDUM OF LEASE**

SEP 30 '99 3:30 PM

**FLEX LEASING I, LLC**, a Delaware limited liability company ("Lessor") having its chief executive office at 234 Front Street, Suite 300, San Francisco, California 94111, as successor lessor by assignment from Flex Leasing Corporation, a Delaware corporation ("Flex"), having its chief executive office at 234 Front Street, Suite 300, San Francisco, California 94111, is a party to a certain (unfiled) lease agreement dated as of September 7, 1999 (the "Lease") with **ARIZONA & CALIFORNIA RAILROAD COMPANY, an Arizona partnership doing business as PUGET SOUND & PACIFIC RAILROAD** ("Lessee"), having its chief executive office at 221 Gateway Road West, Suite 401, Napa, California 94558, covering the railcars listed on Annex A attached hereto.

Dated as of SEPTEMBER 30, 1999

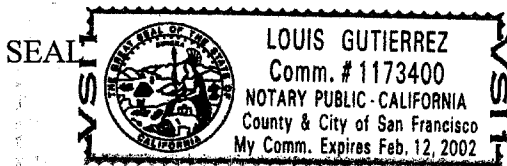
**FLEX LEASING I, LLC**

Desmond P. Hayes  
Desmond P. Hayes  
President

STATE OF CA )  
COUNTY OF SF ) ss:

On this 24<sup>th</sup> day of September, 1999, personally came before me, Desmond P. Hayes, who, being by me duly sworn, says he is President of Flex Leasing I, LLC and that said writing was signed on the date hereof by him on behalf of said company by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 24th day of September, 1999.



Louis Gutierrez  
Notary Public  
My Commission Expires: 2/12/2002

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